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SUBJECT: SEOUL - PRESS BULLETIN; April 21, 2009

TOP HEADLINES

Chosun Ilbo, Dong-a Ilbo, Hankook Ilbo,
Seoul Shinmun, All TVs
Former President Roh's Key Aide Accused of Embezzling 1 Billion Won
from Blue House Coffers

JoongAng Ilbo, Hankyoreh Shinmun, OhmyNews
Online Blogger "Minerva" Found Not Guilty; Judge Rules that the
Blogger Meant No Harm to Public

Segye Ilbo
Japanese Newspaper: "North Korea is Preparing for a Second
Underground Nuclear Test"

DOMESTIC DEVELOPMENTS

The two Koreas will meet today at the joint Kaesong Industrial
Complex in the North. This meeting represents the first
government-level talks between North Korea and the Lee Myung-bak
Administration. (All)

At this meeting, North Korea is expected to either notify the ROK of
its decision regarding the ROK national being detained or threaten
to shut down the joint industrial complex should the ROK join the
U.S.-led Proliferation Security Initiative (PSI), which aims to
prevent the transfer of weapons of mass destruction. (Chosun)

According to reliable sources, North Korea may order some ROK
companies and workers to leave the industrial complex this month.
(Dong-a)

INTERNATIONAL NEWS

A U.S. diplomatic official recently said that the Obama
Administration still has nine months to go before it plans to
earnestly deal with the North Korean issue. This remark may suggest
that the U.S. Administration will not rush into dialogue with North
Korea, because it will take time for the North to reactivate its

nuclear facilities. (Chosun)

Russian Foreign Minister Sergey Lavrov will visit Pyongyang this week, a trip that may help the outside world understand North Korea's intentions behind its renewed threats following its rocket launch early this month. The Russian Foreign Minister will also visit Seoul on his way home. (Chosun)

Citing an IAEA inspector, the Sekai Nippo, a Japanese daily newspaper, reported yesterday that North Korea is covertly preparing for a second underground nuclear test. (Segye)

According to AP and Reuters, meanwhile, IAEA Chief Mohamed ElBaradei said in Beijing yesterday that North Korea should be regarded as a nuclear state since it has nuclear weapons. Asked how soon North Korea could restart its nuclear facilities, the IAEA chief said, "It could be a question of months." (JoongAng, Hankook, Hankyoreh, Segye, Seoul, all TVs)

MEDIA ANALYSIS

-North Korea

Talks with ROK on Industrial Complex
Today's inter-Korean talks at the joint Kaesong Industrial Complex in the North received wide press coverage. Conservative Chosun Ilbo

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expected North Korea to either notify the ROK of its decision regarding the ROK national being detained or threaten to shut down the joint industrial complex should the ROK join the U.S.-led Proliferation Security Initiative (PSI), which aims to prevent the transfer of weapons of mass destruction. The newspaper also cited an ROKG official as saying: "We're not just going to listen to an announcement from the North. Since it's the first official inter-Korean meeting since the current government's inauguration, we'll deliver our own message as well."

Renewed Nuclear Threats

Conservative Chosun Ilbo carried an inside-page report noting a recent statement by a U.S. diplomatic official that the Obama Administration still has nine months to go before it plans to earnestly deal with the North Korean issue. The newspaper interpreted this remark to suggest that the U.S. Administration will not rush into dialogue with North Korea, because it will take time for the North to reactivate its nuclear facilities.

Conservative Chosun also gave attention to Russian Foreign Minister Sergey Lavrov's visit to Pyongyang this week. Chosun surmised that the Russian Foreign Minister meeting with Kim Jong-il might help the outside world understand North Korea's intentions behind its renewed threats following its rocket launch early this month. The Russian Foreign Minister will also visit Seoul on his way home, according to the newspaper.

Most of the ROK media cited AP and Reuters in reporting on IAEA Chief Mohamed ElBaradei's remark yesterday that North Korea should be regarded as a nuclear state since it has nuclear weapons. The IAEA Chief was further quoted as saying, "It could be a question of months," when asked how soon North Korea could restart its nuclear facilities:

Conservative Segye Ilbo, meanwhile, replayed an April 20 report by the Japanese daily Sekai Nippo quoting an IAEA inspector, who was recently expelled from North Korea, claiming that North Korea is covertly preparing for a second underground nuclear test.

-Obama's Smart Diplomacy

Referring to a handshake between President Barack Obama and Venezuela's leftist leader and longtime U.S. critic, Hugo Chavez, at the latest Summit of the Americas, right-of-center JoongAng Ilbo

editorialized: "A mood for dialogue is becoming ripe throughout the world in line with Obama's doctrine, 'we will extend a hand if you are willing to unclench your fist.' The only exception, however, is North Korea. Since his inauguration, President Obama has sent a message of reconciliation to North Korea in several ways, only to face the North's long-range rocket launch and its expulsion of IAEA monitors and a State Department representative. North Korea may have intended to boost its standing on the U.S. list of diplomatic priorities and to increase its bargaining power, but this is clearly a miscalculation. How can talks and negotiations occur if one side slaps the other in the face when the other extends his hand?" Left-leaning Hankyoreh Shinmun carried a similar editorial.

OPINIONS/EDITORIALS

'MINERVA' CASE HIGHLIGHTS THE INTERNET'S POTENTIAL TO MISLEAD
(Chosun Ilbo, April 21, 2009, Page 35)

A Seoul district court on Monday acquitted a controversial cyber business pundit named Park Dae-sung, who is better known by his alias Minerva.

Before his arrest, Park, an unemployed man in his 30s with no schooling in economics, cobbled together bits and pieces of economic information floating in cyberspace and posted around 280 pieces of writing focusing on a doomsday scenario awaiting the Korean economy. Those postings include one made on July 30 last year warning that

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Korean banks would be forced to halt currency exchange operations the following day, and another in December saying the government issued an emergency notice banning the buying of dollars.

He was charged with violating the country's electronic communications law by using the internet to spread misleading information that can be detrimental to public interest. But the court acquitted Park, saying it was difficult to prove that he had posted the writings in full knowledge that his information was false with a clear intent to cause harm to the public.

By coincidence, some of Park's predictions turned out to be true, but far more were inaccurate. In July of last year, Park predicted that consumer prices would surge and advised people to stock up on at least six month's worth of rice, canned tuna, toilet paper, bottled water, soap and instant noodles. But consumer prices actually went down after August. He also made mistakes like calling British bank HSBC a "Chinese bank," since its name contains "Hong Kong and Shanghai." Yet scores of economists, bureaucrats, journalists and professionals working for financial institutions not only failed to pinpoint the fallacies in Park's writings, but one left-wing economist, who once served as presidential secretary for economic affairs, went as far as lauding the pseudo pundit as the most talented economic mentor he had ever come across.

The internet is a valuable forum where anyone is free to express their own thoughts. As many as 40,000 pieces of writing are posted daily on a debate site run by a popular portal. It is nonsensical to even attempt to apply a legal framework to find out whether online postings are false or ill-intentioned. But Park's case was extraordinary. He drew a huge following after his prediction of Lehman Brothers' bankruptcy in September last year turned out, by chance, to be true. His postings would sometimes draw as many as 370,000 views. Some even worshipped him as the "economic leader" of Korea. If writings become that influential, the author should be responsible to ensure that they do not cause social confusion and damage.

The internet is capable of spreading false rumors like wildfire. If we fail to come up with measures to prevent that, it will be just a matter of time before another Minerva or mad cow scandal occurs.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

ACQUITTAL HARDLY ABSOLVES 'MINERVA PHENOMENON'
(Dong-a Ilbo, April 21, 2009, Page 31)

The Seoul Central District Court found a man charged with being the online economic oracle "Minerva" not guilty of spreading false information. "Park" had been arrested on the charge of violating telecommunications law for allegedly circulating false rumors on government policy over the Internet. The ruling admitted as groundless his articles claiming that foreign exchange operations would come to a halt Aug. 1 last year and that the government sent letters to companies asking not to buy dollars. The court, however, said, "It was difficult for Park to recognize those rumors as false, and even if he did, we cannot see him having had the intent to harm the public interest."

Article 47 of the Telecommunications Act, which was applied to Park's case, requires "intent to harm public interest" and "recognition as false information" to find a defendant guilty of an offense. The criminal probe could have been inadequate or prosecutors could have attempted to interpret the law too broadly. Prosecutors immediately announced plans to file an appeal, and one said, "The court misunderstood facts and the false information by picking the wrong evidence, and mistakenly applied legal reasoning on harming the public interest." It remains to be seen how an appellate court will rule given the lack of sufficient cases of precedents on Article 47.

The ruling has made it necessary for Korean society to discuss

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measures to crack down on anti-social behavior in cyberspace and the limitations of such measures. The act, which was enacted in the 1990s, fails to adequately reflect the negative effects of the Internet in tune with the development of new technology to a certain extent.

The Minerva incident and candlelight vigils showed without reservation the negative aspects of the Internet. Nevertheless, the act says people who circulate false information on the Internet can be punished only if they had the intent to harm the public interest.

If laws cannot punish those who have caused huge damage to the country by spreading false information by hiding behind the Internet's anonymity, the country must consider revision of laws or legislation of new laws.

Minerva was an unidentified Web user who posted provocative comments by copying and pasting unverified information or data circulating in the Internet. Certain experts joined Web users in making Minerva, who lacks professional knowledge, an "economic president." Other forces exploited his articles to sway the government's economic policies aimed at overcoming the economic crisis. The Minerva incident demonstrates the negative functions of the Internet and how vulnerable Korean society is to propaganda.

The ruling is simply an only legal judgment on Minerva's individual behavior, and hardly legitimizes the Minerva phenomenon in any way. It is wrong for groups to try to overly interpret the not-guilty verdict and ignore efforts to correct social ills stemming from posting false rumors on the Internet.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

HANDSHAKE BETWEEN OBAMA AND CHAVEZ, AND NORTH KOREA...
(JoongAng Ilbo, April 21, 2009, Page 42)

Yesterday, all newspapers featured a picture of U.S. President Barack Obama shaking hands with Venezuela President Hugo Chavez. During the Organization of American States (OAS) summit held in the Republic of Trinidad and Tobago from April 17 to 19, Obama exchanged pleasantries with Chavez, with the former speaking in Spanish and the latter speaking in English. Looking at this picture that symbolizes a changed world, we are frustrated with North Korea. While Obama shakes hands with Chavez who has championed himself as a

leading anti-American figure, regrettably North Korea is going backward.

In his September 2006 UN General Assembly speech, Chavez attacked U.S. President Bush by insultingly stating that a devil had been there on the previous day, as evidenced by the smell of sulfur on the podium. Reconciliation between the U.S. administration, which had pursued unilateral diplomacy and Chavez, was unimaginable. However, Obama humbly offered his hand, saying that the U.S. is willing to recognize its past mistakes. Chavez grasped Obama's hand while expressing his hope to become friends.

The Obama Administration is following a starkly different path from the Bush Administration. He is extending his hand to the world with smart diplomacy, which combines hard power based on military strength with soft power that radiates U.S. charm, while carefully listening to others. Obama is sending a message of reconciliation to the entire world including Iran, Syria, Russia, Europe, Cuba, Venezuela, Pakistan and Afghanistan. Obama proposed talks with Iran with condition of temporarily permitting its uranium enrichment program. He lifted bans on money transfers and travel between Cuba and Cuban Americans.

A mood for dialogue is becoming ripe throughout the world in line with Obama's doctrine, 'we will extend a hand if you are willing to unclench your fist.' The only exception, however, is North Korea. Since his inauguration, President Obama has sent a message of reconciliation to North Korea in several ways, only to face the North's long-range rocket launch and its expulsion of IAEA monitors

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and a State Department representative. North Korea may have intended to boost its standing on the U.S. list of diplomatic priorities and to increase its bargaining power, but this is clearly a miscalculation. How can talks and negotiations occur if one side slaps the other in the face when the other extends his hand? North Korea will regret it for a long time if it wastes this chance. Allegedly, the Obama Administration is already infuriated with North Korea. North Korea should carefully consider the wisdom behind its reckless brinkmanship tactics.

CUES FOR ROK FROM OBAMA'S SMART DIPLOMACY
(Hankyoreh Shinmun, April 21, 2009, Page 23)

A refreshing breeze has been blowing in international relations since the arrival of U.S. President Barack Obama. At the G20 summit, Obama put a new U.S. foreign policy on display with suggestions of nuclear arms reductions made to Russia and intentions to improve relations expressed to Iran and Cuba. At the 2009 Summit of the Americas, he also succeeded in opening up channels for dialogue with countries in Central and South American at odds with the U.S.

While at the summit, Obama drew a line between himself and the excessive meddling that has been a consistent part of U.S. foreign policy in the region, saying he wanted to see new cooperation and partnership. During the past two hundred years, the relationship has been interspersed with various painful conflicts, like the overthrow of the Chilean government of Salvador Allende, the invasion of Grenada, low-intensity wars against states in the region, and an embargo on Cuba that has lasted close to fifty years.

Experts characterize Obama's administration as departing from the policy approach of the former Bush Administration, which attempted to overthrow the Venezuelan government of Hugo Chavez, and revive through a hard sell the Free Trade Area of the Americas despite opposition by leaders in the region. Obama has declared he is leaving the past behind and moving forward to a new era.

This transformation originates from reflecting on U.S. unilateralist foreign policy that relies on coercive hard power or military power which ultimately only leads to international discord and conflict. Outside observers suggest that it is the Obama Administration's view (that a unilateralist policy) did not really contribute to securing

national interests. The administration believes that soft power diplomacy could produce better results with other nations. Indeed, Iran is responding favorably to U.S. calls for improved relations, and Cuba says it is willing to talk about human rights. Moreover, Venezuelan president Chavez, a longstanding critic of the U.S., has said since the summit that he is hopeful about better relations with Washington and has decided to restore diplomatic relations.

It is too early to say for certain that this new U.S. diplomatic strategy will produce long-term results. However, it is crystal clear that the Obama Administration's strategy of frankly admitting past U.S. mistakes while pursuing mutual prosperity and cooperation is giving the world hope for a new era, one based on dialogue rather than a monologue. The Korean Peninsula should not isolate itself in this new era of dialogue. North Korea must promptly come to the negotiation table. The ROK, for its part, must work to put the conditions to make that possible in place. We, too, need to consider adopting this kind of smart diplomacy.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

ROKG HAS BEEN LAX IN INSPECTING U.S. BEEF IMPORTS
(Dong-a Ilbo, April 21, 2009, Page 31)

The Ministry of Food, Agriculture, Forestry and Fisheries reiterated in late May that inspectors will be dispatched to the U.S. to examine whether beef imports are properly classified into months of

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age and Specified Risk Material (SRM) is removed (from cows) during slaughtering. However, it has been discovered that the four inspectors have not yet inspected even a single piece of imported beef. Although the inspectors, who were dispatched last October and this February, may have needed time to adjust, they have been too lax considering the nightmarish 'beef scandal.'

Yesterday, the Ministry of Food, Agriculture, Forestry and Fisheries explained that the inspectors were dispatched to gather information to ensure the safety of beef, contrary to last year's statement. This statement puts a damper on the expectation that through proper inspection, beef that does not fulfill import conditions or is not sanitary will not be on Korean dinner tables. Considering the budgetary expense, did the ROKG really need to dispatch the four inspectors if their only purpose was to collect information?

The Ministry said that the inspectors were inactive because the scope of regular inspections of U.S. exports worldwide is unprecedented. Last year, the Ministry said that the U.S. will not readily accept ROK inspectors because of fears of trade s-e-c-r-e-t leakage. It is questionable whether the ROKG even needed to regularly dispatch the inspectors for one year without receiving any guarantee from the USG regarding their duties. The ROKG's notices regarding import health requirements are not flawless. The ROKG has failed to make up for shortcomings in last May's safety management measure or its notices regarding import health requirements. Furthermore, the ROKG has not delivered on promises it made to the public.

Last year's beef scandal was exaggerated and distorted but elevated public awareness about its right to healthy living. As evidenced in the melamine cookie and taro-containing drug scandals, the government should not neglect public concerns regarding food safety.

It should be efficient because of limitations on budgetary and human resources. Moreover, the government should not lay out ineffective measures just to placate the public, only to later gloss over them.

The government will hold talks with Canada over beef. The ROKG should not repeat the same mistakes of the U.S. negotiations. The ROKG made too many concessions without receiving any guarantees about beef safety, which is the public's greatest concern. These days, the Ministry's moves only add to the public's anxiety.

